



STATE OF CONNECTICUT

**PERMANENT SUPPORTIVE HOUSING
INITIATIVE
REQUEST FOR PROPOSALS**



August 26, 2011



**Responses Due No Later Than 4:00 PM EST
November 28, 2011**



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I. OVERVIEW OF PERMANENT SUPPORTIVE HOUSING INITIATIVE

Supportive housing combines decent, safe, affordable apartments with individualized health, support and employment services. It is a proven, effective means of reintegrating families and individuals with mental illness, chemical dependency or addiction disorders and/or chronic health challenges into the community by addressing their basic needs for housing and ongoing support.

Because it addresses the root causes of chronic, long-term homelessness, permanent supportive housing is a viable, cost-effective alternative to more expensive and less effective institutional settings. The State of Connecticut (the “State”) Legislature authorized the Supportive Housing Initiative under Public Acts 11-57, 11-6, 11-61 and 11-64, as may be amended, and collectively referred to herein as the “Act”, in order to authorize capital, service and rental subsidy funding to create approximately 150 permanent supportive housing units in the state.

II. REQUEST FOR PROPOSALS (“RFP”)

- A. The Connecticut Housing Finance Authority (“CHFA”), the State Departments of Mental Health and Addiction Services (“DMHAS”), Social Services (“DSS”), Children and Families (“DCF”), Economic and Community Development (“DECD”), Corrections (“DOC”), the Court Support Services Division of the Judicial Branch (“CSSD”) and the State Office of Policy and Management (“OPM”) are pleased to announce the release of this RFP. This RFP is seeking applications for capital financing, project-based rental assistance, and support service funding for permanent supportive housing development projects. Types of funding and the project eligibility requirements will be described in a later section of this RFP.
- B. CHFA is the point of entry for all responses, which shall constitute applications, under this RFP. The application will serve as the one application for capital financing, rental subsidy funding, and service subsidy funding. CHFA is the primary point of contact for project sponsors and development team members. Referrals of project sponsors and development team members to other agencies may be made by CHFA on an issue-by-issue basis, as may be required, during the application review and project development process.
- C. A conference will be held for all interested applicants and their development team members at 10:00 am on September 7, 2011 at Lee Auditorium, Merritt Hall, Connecticut Valley Hospital, Middletown, CT. Information on the application process, including the process of financing with the State and CHFA, will be provided along with social service provider requirements. Applicant principals, their housing consultants, and social service providers must attend this conference; other members of proposed development teams are strongly encouraged to attend.

- D. CHFA will accept responses to this RFP from qualified applicants through 4:00 pm EST on Monday, November 28, 2011. Any responses received after that date and time shall be returned unopened to the applicant. Applications and all inquiries regarding this RFP shall be made to:

Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067
Attention: Terry Greco Nash
Email: PSH_RFP@chfa.org Telephone: (860) 571-4253

- E. Applications will be reviewed in a two-stage process: first to meet threshold criteria and second to determine financial feasibility and development project viability through a competitive rating and ranking mechanism. Reviews will be the responsibility of the Interagency Committee for Supportive Housing (the “Committee”) whose reviewing members include staff from CHFA, DMHAS, DSS, DCF, DECD, DOC and CSSD.
- F. Selected applicants will receive a conditional invitation to proceed based upon funding availability and priorities, the proposed development’s standing in the rating and ranking process and the determination of the Committee. The invitation will include a reservation of capital, rental assistance, and service funding for the development project.
- G. Additional due diligence may be required to clarify certain facets of the application. Applicants with development proposals that have successfully completed the additional due diligence phase, if any such additional due diligence is required, will receive letters of invitation to proceed with the development.
- H. Upon such invitation to proceed, each applicant will be expected to make timely progress toward obtaining a commitment of financing from CHFA’s Board of Directors, accomplishing Initial Closing, completing the development, and placing the development units in service. **If a development has not received mortgage loan approval by CHFA’s Board of Directors within one (1) year after selection, and/or if the development has not made significant progress towards completion, as determined by CHFA or the Committee, then the application may be returned to the Committee for further consideration and the reservation of funds for the project may be rescinded.**
- I. Funding is limited to availability and authorization of capital financing, rental assistance and service funding. Note that applications regularly exceed funding availability. The release of this RFP in no way obligates the State, CHFA, DMHAS, DSS, DCF, DECD, DOC, or CSSD to fund any of the development proposals. Funding may only be obtained upon satisfaction of all conditions precedent and subsequent to the receipt of an invitation to proceed and upon issuance of a financing commitment from CHFA following approval by the Committee, as required.

III. ELIGIBILITY REQUIREMENTS, PRIORITIES AND STANDARDS

A. Eligible Applicants – Developer:

Eligible applicants under this RFP may be organized as for-profit or not-for-profit entities.

Those project sponsors/owners who are for-profit entities must be experienced in the development of affordable housing and shall apply together with their qualified service provider partners.

Those project sponsors/owners who are not-for-profit entities must be organized with a 501(c)(3) designation, be experienced in the development of affordable housing, and apply together with their qualified service provider partners, as such are defined below. The project sponsor must demonstrate that providing housing is a primary purpose of its entity. Selected project sponsors may be required to provide written opinion of counsel acceptable to CHFA that its participation in the permanent supportive housing program and receipt of 501(c)(3) bond proceeds, if this is the funding source, is in accordance with Internal Revenue Service (“IRS”) Code requirements.

B. Eligible Applicants – Qualified Service Provider:

1. There must be a written Memorandum of Understanding (“MOU”) between joint submitting organizations that clearly delineates the respective roles and responsibilities of each party with regard to the proposed housing development, ownership and operation, and defines strategies for coordinating activities of team members. Application review will place a strong emphasis on the quality of the development project sponsor – qualified service provider relationship, with attention to the team’s financial strength and track record in constructing and managing affordable housing and providing high-quality services.
2. In order to be recognized as a “Qualified Service Provider” as defined at Appendix A, the service provider partner must be a provider of supportive housing currently funded by DMHAS and in good standing. Where more than one agency is involved, there must be a single fiduciary for service funding that will assume primary responsibility for the success of the Service Plan.
3. Selected organizations must be willing to participate in a structured evaluation process that will include tracking of client outcomes and documentation of units of service, costs per unit of service delivered, and costs of services delivered.
4. Outcomes to be tracked may be related to housing retention, use of inpatient health and behavioral health services, tenant income and employment, involvement with authorities, quality of life, independent living skills and tenant satisfaction.

5. Selected organizations will agree to participate in a comprehensive quality assurance review process that will annually monitor and review program service delivery by means of a structured four-part strategy:
 - a. Service delivery performance will be monitored through annual site visits that will include review of tenant files, pertinent documents and reports and will also include a focus group with tenants who choose to participate. Results will be recorded on a supportive housing monitoring tool;
 - b. Tenant satisfaction surveys will be completed in time for the site visit;
 - c. Regular reviews of client outcomes as reported to DMHAS, DCF, CSSD, DOC and/or DSS will be completed every six (6) months; and
 - d. The results of the review and subsequent recommendation will be made available to the organization.
6. Applications may not be submitted by any person or entity, or an affiliate of a person or entity:
 - a. that is or has at any previous time been delinquent on any obligation with CHFA or the State for twelve (12) or more months;
 - b. that has been in default for three (3) months within the most recent twelve (12) month period; or has been in default during any month within the most recent six (6) month period on any obligation with CHFA or the State; or
 - c. that is not in good standing with CHFA, any State Agency, HUD or any Federal Agency.
7. Project sponsors who have previously completed development projects utilizing CHFA and/or DECD funding, including but not limited to Low-Income Housing Tax Credits (“LIHTC”), and who were unable to meet the benchmarks set forth in the project schedule, or as required by the funding source, will be evaluated by the Committee for eligibility.

C. Eligible Development Projects:

To qualify for funding under this RFP, eligible development projects shall be:

Proposed new development projects of 10 or more units financed together including acquisition and rehabilitation or new construction.

D. Eligible Populations:

Eligible populations in a proposed development project shall include adults with special needs, families with special needs and/or young adults with special needs (as those terms are defined in Appendix A) along with adults, young adults and families without such needs in an appropriate mix as determined by the Committee. Special needs populations

may be mixed in a single development project, with the approval of the Committee, and in accordance with funding availability and the State's priorities.

E. Service-Enriched Units:

Within each eligible development project, service-enriched units shall be set aside as follows:

1. In developments of 10 units, a minimum of 50% and up to 100% of the units shall be set-aside for residents with special needs.
2. In developments of 11 units and up to 20 units, a minimum of 50% and up to 60% of the units shall be set aside for residents with special needs.
3. In developments of 21 units and more, a minimum of 30% and up to a maximum not to exceed 25 units shall be set-aside for residents with special needs.

In instances where the calculation for the number of units to be set-aside for those with special needs results in a fraction of a unit, the result will be rounded up. For example, in a proposed 17 unit development, the development must include a minimum of 50% and a maximum of 60% of the units to be set aside for those with special needs. 50% of 17 units = 8.5 units. 60% of 17 units = 10.2 units. Rounding up, the correct number of units to include for those with special needs is 9 - 11.

F. Priorities and Standards:

1. Priority will be given to proposed development projects that will serve at least one (1) or two (2) of the following populations identified in this RFP:
 - a. Young adults with special needs who are homeless or who are transitioning out of foster care or DCF involvement; or
 - b. Chronically homeless individuals with serious mental health needs and/or substance abuse issues; or
 - c. Persons with mental health needs and/or substance abuse issues who are otherwise defined in Section 17a-485c(b) as amended by Public Act 11-64 and who are homeless or at risk of homelessness.
2. Eligible population referrals for potential tenancy will come from and/or be approved by the applicable State agency (DMHAS, DCF, DSS, CSSD, and/or DOC).
3. Assisted housing units not reserved for populations with special needs must be targeted to households whose income, at the time of entering housing, does not exceed 80% of Area Median Income ("AMI") as adjusted by household size, or such lower limit as may be agreed to by the project sponsor and CHFA. Any units to be subsidized through the DSS Rental Assistance Program ("RAP") must

be targeted to households with incomes at or below 50% AMI, adjusted for family size.

4. In developments of any size, the Committee reserves the right to establish the appropriate level of units set aside for individuals and families with special needs in accordance with funding availability and the State's priorities.
5. In developments of any size, priority will be given to developments that maximize the integration of adults or families with special needs with adults and families without such needs. The purpose is to minimize stigma and to advance the integration of persons with disabilities into the community.
6. Priority will be given to developments of any size that achieve cost efficiencies in site acquisition, development and construction costs, whether proposed new construction or rehabilitation.
7. All housing units must be affordable to the population to be served. Rents will be set at rates where elderly or disabled tenants of assisted units will pay 30% of their adjusted income for rent and tenants of assisted units who are not elderly or disabled will pay 40% of their adjusted income for rent.
8. All housing units must meet housing quality standards as established by the U.S. Department of Housing and Urban Development ("HUD"), CHFA's 2011 Standards of Design and Construction, and conform to state and local fire and building codes, including codes related to handicapped accessibility. Refer to www.chfa.org or specifically to <http://www.chfa.org/content/Multifamily%20Document%20Library/2011Standards%20CIG%20122010.pdf> for CHFA's 2011 Standards of Design and Construction.
9. Readiness to proceed is a critical component of the RFP response. Applications for funding under this RFP must be submitted with documentation of site control and zoning approvals in place. Copies of any and all deed restrictions or encumbrances must be included.
10. **Applicants must be ready and willing to move forward with their development proposals, and to submit all components of a full application for financing within ninety (90) days of the conditional invitation to proceed.**

IV. CAPITAL FINANCING – CHFA

CHFA will, subject to the availability of funding through DECD and upon approval by the State Bond Commission, provide capital funding under this RFP by making available non-recourse, construction and permanent mortgage and/or grant financing from the proceeds of State-issued general obligation taxable and/or tax-exempt bonds and/or financial assistance.

It is anticipated that the State, acting by the State Bond Commission, and through DECD, will issue up to \$30,000,000 in general obligation taxable and/or tax-exempt bonds to

provide capital funding for the development of permanent supportive housing developments. These funds will be awarded to CHFA through an assistance agreement with DECD. CHFA will be responsible for ensuring that these funds are used in accordance with the general rules and principals necessary for the production and long-term operation of permanent supportive housing and are consistent with the preservation of the tax status of the bonds.

CHFA will use the bond funds to provide capital financing under terms acceptable to CHFA and DECD for eligible permanent supportive housing developments. CHFA reserves the right to modify the terms and assumptions described in this RFP as it may deem in its best interests, the best interests of the State, and subject to the provisions under the Assistance Agreement with DECD.

A. The anticipated basic terms and conditions of the mortgages are as follows:

1. Eligible uses: Acquisition, rehabilitation and new construction.
2. Type and amount: Non-recourse permanent or construction/permanent deferred, potentially forgivable mortgage financing for up to 100% of recognized development costs less other sources of funds committed.
3. Term: 30 years mortgage lien and restrictive covenants; additional 30 years restrictive covenants only if the project sponsor/owner elects to have the mortgage forgiven and meets certain other criteria described in the loan documents. The term may be adjusted by CHFA as necessary for HUD or underwriting purposes.
4. Interest payments: Accrued unpaid interest becomes due upon the earlier of a capital transaction or maturity; however, if the project sponsor/owner agrees to retain the development as permanent supportive housing, or its equivalent as approved by CHFA and the State, then the interest due is forgiven at the end of an additional 30-year period.
5. Principal payments: Principal becomes due upon the earlier of a capital transaction or maturity; however if the project sponsor/owner agrees to retain the development as permanent supportive housing, or its equivalent as approved by CHFA and the State, and meets certain other criteria described in the loan documents, then the principal amount due is forgiven.
6. Coverage: Developments shall have an initial income over expense coverage of 1.05% with capitalized operating reserves established to maintain breakeven coverage for the duration of the mortgage term.
7. Capitalized operating reserves: Based on net operating income and projected cash flow over the mortgage term, using income and expense trending assumptions approved by CHFA as follows: income trended at 3%, expenses trended at 3%, replacement reserves trended at 4% and utility expenses trended at 5%. Operating reserves are a mortgageable expense. CHFA shall serve as the administrative agent for such operating reserve funds. Developments requiring operating

reserves of more than 10% of total development costs as recognized by CHFA will not be considered financially feasible under this RFP.

8. Very Low-Income Construction Employment Policy: Applicants must commit to undertaking good faith efforts to hire or train very low-income persons in accordance with CHFA's Very Low-Income Construction Employment Policy (as approved 7/29/2010). Refer to CHFA's website, specifically to <http://www.chfa.org/content/CHFA%20Document%20Library/Policy%20-%20Very%20Low-Income%20Construction%20Employment.pdf>.
- B. The assumptions to be used in formulating the proposed Development Budget are contained in the CHFA/DECD Consolidated Application, which may be found at www.chfa.org or specifically at <http://www.chfa.org/Rental%20Housing/for%20Developers%20and%20Sponsors/Tools,%20Calculators%20and%20Look-ups/ConsolidatedApplication.aspx>
- C. On the CHFA/DECD Consolidated Application Workbook 1 1.10 Exhibit Checklist, applicants must follow the column under CHFA Funding that is titled "Next Steps" in order to determine the items required to be submitted under the RFP. Note that this RFP is not related to the Next Steps program; however, required submission criteria are similar.
- D. The CHFA/DECD Consolidated Application is now in zip format. PLEASE NOTE: Older versions of Windows may need a separate utility to open/extract zip files, like WinZip or IZArc. IZArc can be downloaded for free at <http://www.izarc.org>. If your computer does not have zip capability, please first download the zip software then follow the instructions below to download the application.
 1. Click on the CHFA/DECD Consolidated Application link, choose save and choose a folder where the application will be saved.
 2. When the download is complete, close the "download complete" box - do not open the folder.
 3. Go to the location where the CHFA/DECD Consolidated Application zip file was saved. Right click on the zip file icon and choose "Extract." This action will create a new folder entitled CHFA/DECD Consolidated Application.
 4. Open the new folder and open the "Consolidated Application – Start Here" pdf file to navigate through the application. This is the only document you will need to access the application. Links to the appropriate workbooks are contained in the pdf file.
 5. Updates to the application will be released periodically through email blasts and posted on the CHFA website (for example, when updated rent information is available). At the time of an update, all application files will be downloaded and you may delete the folder with the previous version.

6. Questions may be directed to: ctconsolidatedapplication@chfa.org or Hillary Grande at (860) 571-4290.

V. ADDITIONAL CAPITAL FUNDING

- A. Public or private funding may be used to supplement or replace the capital funding provided under this RFP where it is consistent with the Permanent Supportive Housing Initiative requirements and limitations as determined by CHFA.
- B. A copy of a commitment letter from a financial institution or other private or public entity providing loans and/or grant funding to the applicant for the development must be provided with the RFP response. If a commitment letter is unavailable, at a minimum, CHFA may accept a letter from the funding entity referencing the intended loan amount, rate, term, debt service coverage ratio, any stipulations upon which the financing may be conditioned, date of intended commitment, and annual operating expense assumptions. Letters must be provided for all proposed construction and permanent financing sources.
- C. The Housing Tax Credit Contribution ("HTCC") program provides a potential additional source of funding to a proposed development. CHFA administers the HTCC program, which includes a set-aside of \$2,000,000 each year for permanent supportive housing developments as provided in Connecticut General Statutes Section 8-395, as amended.
- D. When HUD funding is committed to a proposed development, the project sponsor/owner shall provide copies of all supporting documentation including the nature and programmatic source of the funding, contracts, contract exhibits or riders, and deed restrictions.
- E. Project sponsors invited to proceed shall execute a deed restriction in favor of the State and/or CHFA restricting the property for use as housing for low-income persons for a certain period of years. The number of years will be determined, in part, by the sources of funding used to finance the development.

VI. RENTAL ASSISTANCE – DSS

General Terms and Conditions:

- A. Proposed developments selected through this RFP may be eligible to receive a reservation of project-based rental assistance. Applicants should specify in their application how many units in the development will require rental assistance. The latest HUD fair market rent ("FMR") schedule effective January 1, 2011 for the proposed development locale should be used as the basis for calculating the rental assistance in this application. See Appendix B and

http://www.huduser.org/portal/datasets/fmr/fmr2011f/FY2011F_ScheduleB_rev2.pdf.

The actual initial rent to the owner is established at the beginning of the term of the rental assistance contract.

- B. DSS will provide rental assistance to selected developments through its housing subsidy program, RAP, that may be used to provide project-based rental assistance for units developed as authorized under the Act.
- C. Organizations submitting applications under this RFP should complete the Rent Subsidies and Rent Calculation Sheets found in the CHFA/DECD Consolidated Application, specifying the number of development housing units (by bedroom size) that will require rental assistance from DSS, and specifying the census tract number(s) of the development. This information will be reviewed by DSS to determine whether the proposed rents are reasonable in light of the rents charged for comparable unassisted units in the area and whether the development is located in a high poverty area. DSS will rely on CHFA for the review and approval of the subsidy application for factors relating to housing finance and development. DSS and CHFA will rely on DMHAS, DCF, CSSD and/or DOC for approval of development project Service Plans, as described elsewhere herein.
- D. Projects must be eligible for mortgage financing approved by CHFA and service funding from DMHAS. DSS, working in conjunction with CHFA and the Committee, will use the following criteria for approving applications for rental assistance:
 - 1. Documented need for the proposed type of supportive housing in the proposed geographic area and extent to which project contributes to geographic distribution of affordable and permanent supportive housing throughout the state;
 - 2. Proposed housing requires a capital investment, indicated by a capital needs assessment or analysis if applicable, to provide housing appropriate to the needs of the supportive housing initiative and sufficient to ensure the long-term physical and financial viability of the property for its planned use;
 - 3. Proposed development integrates the housing with tenant support and self-sufficiency services (such as case management; job readiness, placement, training or retention supports; training in independent living skills; and social rehabilitation, peer mentoring or peer supports) that are designed to meet the needs of the projected tenancy;
 - 4. The applicant must demonstrate a cash commitment to service funding managed by a financially sound, competent service provider that is currently under contract with DMHAS;
 - 5. Proximity of the proposed development to public transportation, community services, employment opportunities, shopping and recreation facilities;
 - 6. Compatibility of the proposed development with the surrounding neighborhood in size, scale and configuration;

7. Experience of the applicant in developing and managing affordable housing and experience of the service provider in providing support services of the type proposed;
 8. Demonstrated ability and capacity of the applicant to proceed expeditiously with the proposed development;
 9. Extent to which the project has been developed as the result of a cooperative agreement or arrangement among public, semi-public or nonprofit agencies or organizations;
 10. Financial feasibility of the project and likelihood for capital financing;
 11. Extent to which the development leverages State, private and other federal funds; and
 12. Extent to which the development provides for units that are handicap accessible.
- E. A reservation of rental assistance from DSS is subject to the following:
1. The availability of funding;
 2. DMHAS/DCF/DSS approval of the development Service Plan;
 3. Commitments of other development funding necessary for the housing initiative to proceed; and
 4. The selected organization's compliance with DSS contracting requirements.
- F. A final reservation will not be issued until satisfaction of all stated conditions. Selected organizations must agree to work cooperatively with DSS's housing agent and the proposed development's Asset Manager at CHFA. RAP funding is subject to annual appropriation by the Connecticut General Assembly.
- G. DSS reserves the right to limit the number of units in a single development receiving rental assistance in order to serve the greatest number of development projects under the RFP. DSS rental assistance is intended to compliment, and not to replace, any project-based rental assistance that sponsors have obtained, or may be able to obtain, through HUD's Continuum of Care homeless assistance programs or through its local housing authority.
- H. The goals of DSS for the rental assistance program include expanding the supply of decent, safe and affordable housing throughout the State; increasing assisted housing choices for people in need of service-supported housing; promoting the self-sufficiency of assisted households, including families at or below 30% AMI, families that are homeless or at risk of homelessness, and families with disabilities; integrating housing and support services such as case management, employment services, and social support to help families achieve stability, self-reliance, and to expand the economic opportunities of assisted families; and promoting the coordination and leveraging of resources.

Eligibility Requirements for State Rental Assistance:

A. Housing Units Eligible for State Rental Assistance:

1. Housing units in newly constructed or rehabilitated structures may receive rental assistance. All of the housing units in the proposed development do not have to be assisted, although only assisted housing units will receive subsidy.
2. An eligible housing unit is either currently vacant or is occupied by a household that is eligible for rental assistance and who indicates an interest in participating in the rental assistance program. A project sponsor/development owner must assure that it has taken all reasonable steps to minimize the displacement of persons (households, businesses, and nonprofit organizations) as a result of the proposed development.

B. Eligible Tenants in State Rental Assisted Housing Units:

1. Eligibility for the DSS RAP Program is determined based on the household's annual gross income and the State's definition of a family. The family's income may not exceed 50% of the AMI for the county or metropolitan area in which the family chooses to live. A copy of the DSS Rental Assistance Eligibility Criteria can be obtained from DSS upon request. The State has adopted the AMI levels published by HUD, and these vary by location throughout the State.
2. Project sponsors/development owners shall be responsible for selecting tenants for assisted housing units from among the families on the development's waiting list. The project sponsor/owner of the housing units will evaluate the family's housing needs and determine their eligibility for rental assistance in accordance with the project sponsor/owner's written tenant selection plan and procedures, as approved and accepted by DSS and CHFA Asset Management, and RAP requirements. A family becomes a participant in the program when the family and the project sponsor/owner execute a lease for an assisted housing unit.
3. The waiting list for development-specific State rental assistance is separate from DSS's waiting list for tenant-based certificates. Applicants for the development-specific waiting list will be selected in chronological order, subject to the availability of assisted housing units that are appropriate to the size of the family.

C. Eligible Owners of State Rental Assisted Housing Units shall:

1. Agree to enter into a three-year renewable housing assistance contract;
2. Comply with State RAP requirements to lease to tenants referred from the DSS approved lists;
3. Have prior experience with rent subsidy programs; and
4. Be in good standing with State and Federal agencies and quasi-public agencies and/or be able to provide suitable references.

D. State Rental Assistance Rents:

1. The rental assistance shall be sufficient to fund the operating costs of the housing units, including reasonable reserves for repair and replacement.
2. DSS shall provide for increases in rental assistance contracts on an annual basis to cover inflationary escalations in operating costs subject to funding availability.

VII. SERVICE SUBSIDY - DMHAS

- A. For projects selected through this RFP, the service provider will be eligible to receive annual service funding from DMHAS, subject to the following:
1. the availability of funding;
 2. approval of the organization's final Service Plan;
 3. the demonstrated feasibility of the housing initiative;
 4. commitments of other funding necessary for the housing initiative to proceed; and
 5. the service provider's compliance with state agency contracting requirements.
- B. A final commitment of funding will not be issued until satisfaction of all stated conditions. Any contract awarded at that time must be in full conformity with statutory requirements of the State. DMHAS anticipates contracting with providers in amounts based on a maximum of \$9,500 per annum per adult with special needs, young adult with special needs or family with special needs (as defined in this RFP at Appendix A), living in eligible projects. This subsidy amount will *not* be adjusted upwards, or increased, for families or young adults with special needs. This subsidy amount may be adjusted downwards, or decreased, based upon a needs determination in accordance with DMHAS, DSS, DCF, DOC, or CSSD findings.
- C. It is anticipated that the initial service contract will be executed no later than three (3) months prior to anticipated occupancy, and will cover outreach and program start-up activities of the provider during the pre-occupancy period. The annual amount of the service contract will not decrease as long as the development project sponsor/owner demonstrates substantial compliance with the terms of a Referral Protocol Agreement ("RPA") executed by the development project sponsor/owner, the service provider, and DMHAS. The RPA will specify the conditions relating to tenancy and referrals under which DMHAS will provide service funds to the provider for services it delivers to persons living in the developed units.
- D. Each project sponsor/owner must enter into an agreement with the project's lead service provider (the organization funded by DMHAS) for the provision of supportive services. The service provider, with the approval of the project sponsor/owner and the appropriate State agency (DMHAS, DCF, DSS, DOC, or CSSD) may subcontract a portion of this service provision to one or more agencies. The contract between DMHAS and the service provider will specify that it is conditioned upon the

existence of a valid agreement between the project sponsor/owner and the provider for the provision and coordination of supportive services.

E. Organizations wishing to apply for service funding under this RFP must complete the Service Plan and Application in Appendix C as part of their response to this RFP. Principles to govern this Service Plan and, thus the service funding provided by DMHAS, are summarized below as are the guidelines for this funding and the expectations for service integration and coordination.

F. In the Service Plan, applicants will describe the proposed tenant mix of the development and the support services that will be made available to tenants. Where tenancy is mixed in a single site, project sponsors will provide access to on-site services for all tenants, regardless of whether they have identified special needs, and encourage all tenants to take advantage of the services offered. The purpose in doing so is to create a more stable tenancy overall and decrease any stigma associated with receiving services. If it is not possible or feasible to make services available to all tenants, then the applicant should clarify in its Service Plan which tenants of the proposed development will have access to the supportive services.

G. Service Plan Principles

1. The Service Plan must be designed to meet the needs of the specific population to be served and ensure access by the tenants to the non-clinical and clinical services they need to achieve and retain permanent housing, increase their skills and/or income, and achieve greater self-determination.
2. The Service Plan shall:
 - a. Reflect the importance and value of connecting tenants with mainstream resources, including employment and training programs, federal and state entitlement programs, and healthcare programs. The Service Plan should describe existing and planned linkages with vocational, educational and healthcare providers within the locality or region to be serviced;
 - b. Incorporate natural supports (family, peers, faith communities, etc.);
 - c. Articulate strategies for relapse prevention and management and linkages to treatment that will be developed to support these;
 - d. Ensure that services are available for as long as is needed by the individual client; and
 - e. Articulate under what circumstances, if any, a client would be "discharged" from supportive services.
 - f. The service approach should incorporate the key principles and components described below and in Appendix C.

VIII. SUPPORT SERVICE FUNDING – DMHAS

- A. DMHAS will, subject to the availability of annual appropriations, provide funding under this RFP for service contracts for eligible service populations living in eligible projects.
- B. DMHAS service funds will be used to cover the cost of support services only, as described below. DMHAS service funds will not be used to provide rental assistance or to fund the cost of operating, acquiring, constructing or rehabilitating housing.
- C. Support services funded under the Permanent Supportive Housing Initiative are rehabilitation services that enhance and support the client's ability to retain permanent housing, access and retain meaningful employment and increase skills and income, access public and early childhood education, sustain good health, make connections to the larger community, and achieve greater self-reliance.
- D. Funded support services may be based on site or off site of the housing; however, services must be available to tenants where they live (i.e., the services come to the tenant).
- E. Case management is the core of the support services to be funded. Case management services provide a single point of accountability for coordination of services that are designed to offer the tenant support in living independently and in establishing and maintaining residential stability.
- F. DMHAS may fund other supportive services beyond case management, where such services are not available elsewhere. These may include:
 - 1. Outreach and engagement (to bring eligible persons - particularly persons experiencing chronic homelessness - into the housing);
 - 2. Social rehabilitation, peer mentoring and peer support;
 - 3. Training in independent living skills not performed by case management staff;
 - 4. Crisis intervention (where not available from other sources);
 - 5. Tenant or resident organization;
 - 6. Conflict resolution/mediation;
 - 7. Employment readiness and job retention supports;
 - 8. Advocacy in accessing legal services;
 - 9. Client support (transportation, furnishings, etc.) where there is no available funding from other sources;
 - 10. Benefits consultations and assistance with applications; and
 - 11. Administrative costs, not to exceed rates set by DMHAS.

G. Linkages with Existing Area Services:

1. Submitting organizations must identify community-based support services that complement the rehabilitation services that would be funded under this RFP. Evidence of access to support services should be specified in written memoranda of understanding or contracts for services. Evidence that such memoranda or contracts are in place is not a requirement of this RFP but may be a condition of subsequent funding approval.
2. Services funded under this RFP must:
 - a. Link with and support existing case management systems within the community and region, and not be duplicative of such services;
 - b. Provide for adequate linkages to the treatment system, particularly in regard to relapse prevention and relapse management; and
 - c. Link with employment and educational supports within the region.

IX. RFP SUBMISSION REQUIREMENTS

This RFP response shall serve as an application for financing as well as rental and service subsidy funding for the proposed development. When an application has been completed, it must be submitted as a hard copy by mail or by hand delivery to CHFA. Please note that the Consolidated Application is not compatible with electronic-only submission because it requires original signatures and copies of documents. Electronic submission of the application/RFP response is required in addition to the hard copy binder. One original and one copy of the Consolidated Application and all supporting documentation is required in addition to the electronic submission.

As noted earlier herein at Paragraph III.F., proposed developments must meet established criteria in accordance with CHFA's 2011 Standards of Design and Construction. Applicants shall refer to the 2011 Standards of Design and Construction in its entirety. The Standards may be found at www.chfa.org or more specifically at <http://www.chfa.org/content/Multifamily%20Document%20Library/2011Standand%20CIG%20122010.pdf> . The cost guidelines contained therein are superseded by the cost guidelines provided at Appendix F, attached to this RFP, which represent construction hard costs per gross square foot ("GSF") and vary by type of construction.

Additionally, Applicants shall refer to Appendix G for CHFA Energy Efficiency Effectiveness for minor, moderate or substantial rehabilitation, as defined in Appendix E in the CHFA Standards of Design and Construction, and shall provide appropriate energy usage information (as applicable) for the proposed development.

X. TERMS AND CONDITIONS - NON-DISCRIMINATION

In conjunction with the applicant's provision of the contemplated development services, the applicant shall agree not to discriminate against any employee or applicant for employment because of race, color, religious creed, age, marital status, national origin, sex, sexual orientation, gender identity or gender expression, intellectual disability, or physical disability (unless it is demonstrated by the applicant that such intellectual disability or physical disability prevents the applicant's performance of services contemplated under this RFP). Additionally, such non-discrimination provision shall include, but not be limited to, employment, promotions, demotions, transfers, recruitment and recruitment advertising, layoff or termination, compensation, and selection for training. The applicant shall agree to take affirmative action to ensure equal employment opportunities.

XI. RIGHTS RESERVED

A. CHFA, on behalf of the Committee and in its sole judgment, reserves the right to (i) amend, modify, or withdraw this RFP, (ii) revise any requirements of this RFP, (iii) require supplemental statements or information from any respondent of this RFP, (iv) accept or reject any or all responses to this RFP, (v) revise the schedule to advertise, receive and review responses to this RFP, (vi) renegotiate or hold discussions with any applicants to this RFP and allow such applicant/s to correct deficient responses which may not completely conform to the instructions contained herein, or immediately eliminate such responses which are incomplete or unresponsive to this RFP, and (vii) cancel and reissue, in whole or in part, this RFP if CHFA, on behalf of the Committee and in its sole discretion, deems it to be in the best interests of the State or the Permanent Supportive Housing Initiative program. CHFA may exercise the foregoing rights at any time without notice and without liability to any applicant of this RFP or any other party. Responses to this RFP shall be prepared at the sole expense of the applicant. Additionally, responses to this RFP shall not obligate CHFA to procure any of the development services described herein from such applicants.

B. CHFA, on behalf of the Committee, reserves the right to waive minor errors or omissions in content and form other than late submissions, permit the correction of minor clerical errors, request additional or supporting documentation, and/or reject any or all responses.

C. Persons seeking to do business with CHFA are required to comply with statutory provisions. See Appendix D.

XII. STRUCTURE OF THE RFP PROCESS

- A. Publication of RFP: The Committee will publish the RFP on CHFA's website at www.chfa.org and will simultaneously give Legal Notice of its publication in newspapers throughout the State.
- B. Applicant Conference: An informational conference will be held for the benefit of potential applicants as previously noted. At this conference, applicants will have the opportunity to seek clarification and pose questions of representatives of each of the various State agencies supporting the RFP. The project sponsor, its development consultant (if any) and its social service provider partner must attend. All other development team members are strongly encouraged to attend in order to better understand the application process.
- C. Responses Due: As stated earlier herein, CHFA will accept responses to the RFP from qualified applicants through 4:00 pm EST on November 28, 2011 at its offices at 999 West Street, Rocky Hill, CT 06067. Any responses received after that date and time shall be returned unopened to the applicant.

XIII. RATING AND RANKING

- A. Threshold Eligibility Review:
 - 1. All RFP responses received on or prior to the date and time due will be reviewed to determine that the responses meet the threshold submission requirements of the RFP. Threshold review consists of the following:
 - a. Verification of Site Control: Evidence of site control in the form of a written Contract for Purchase and Sale, Option Agreement, Deed, a fully executed ground lease acceptable to CHFA staff for a site suitable for the intended purpose, including the acquisition and terms of the sale, as appropriate;
 - b. Verification of Zoning: Evidence in the form of a letter from the municipality must be provided by the applicant to demonstrate that zoning is in place including all necessary zoning variances and special permits required, if any, in order to commence construction;
 - c. Verification of Service Provider: The applicant must provide written evidence that the service provider partner is a Qualified Service Provider, as defined herein; and
 - d. Verification that the applicant and its development team members are in good standing.
 - 2. Site visits will be scheduled for all proposed development applications that have satisfied Threshold Eligibility Review in order to evaluate the suitability of the proposed development site to the development or provision of supportive housing.

Sites found to be unsuitable will render an application incomplete and ineligible to proceed.

3. Incomplete applications will not be processed and will be returned to the applicants.

B. Financial Feasibility Review: Proposals meeting Threshold Eligibility Review requirements, and for which sites have been accepted, will undergo a preliminary financial feasibility review. Results will be submitted to the Committee for consideration. The Committee will determine those proposals that are acceptable for further processing, review and rating and ranking.

C. Funding Priorities: After the financial feasibility review, applicants will be evaluated and funds reserved by the Committee based on the following criteria:

1. Readiness to proceed;
2. Strength of site control and zoning approvals;
3. Capacity of the development team to undertake the proposed development;
4. Overall cost effectiveness with respect to the development costs and the use of State funding;
5. Degree of leveraging;
6. Quality of the Service Plan;
7. Quality of the proposed development site and location;
8. Degree of service to priority populations as described in the RFP at Section III.F. which must be documented both in the Service Plan and the CHFA Asset Management documents, including the tenant selection plan for the proposed development; and
9. Level of need and the relative availability of other permanent supportive housing in the targeted geographic areas and/or an equitable geographic distribution of funding under this RFP.

D. Invitation to Proceed: Applicants with development proposals that have successfully completed financial feasibility review and rating and ranking will be conditionally invited to proceed with the development, as required and appropriate. Additional underwriting due diligence may be required to provide further clarification of the application. Applicants with development proposals that have successfully completed the additional due diligence phase, if such additional due diligence is necessary, will be invited to proceed with the development and will receive letters to that effect. Alternatively, applicants with development proposals that have not successfully completed the additional due diligence phase will be so advised and such proposed developments will receive no further consideration under this RFP.

XIV. TIMETABLE

On or About:

8/26/2011	Permanent Supportive Housing Initiative RFP Published
9/7/2011	Applicant Conference to be held 10:00 am – 12:00 pm at Lee Auditorium, Merritt Hall, Connecticut Valley Hospital, Middletown
11/28/2011	Complete application responses due to CHFA by no later than 4:00 pm EST
12/9/2011	Threshold eligibility review complete
1/13/2012	Preliminary feasibility review completed
1/17/2012	Rating and Ranking meeting
1/18/2012	Interagency Committee for Supportive Housing full consideration meeting
1/19/2012	Decision draft – Results submitted to full body of Committee, Executive Officers, Commissioners and Boards
1/27/2012	Decision announced – Applicants issued conditional invitation to proceed and notified of awards

Scheduling presentations of development financing applications for consideration by CHFA’s Board of Directors, issuance of Commitment Letters and scheduling of Initial Closings is contingent upon the timeliness of submittals by the sponsor/applicant of the proposed developments so that materials submitted may be reviewed and accepted by CHFA.